

**MINUTES OF REGULAR MEETING
OPEN SESSION
April 12 and 13, 2011
ILLINOIS GAMING BOARD
CHICAGO, ILLINOIS**

NOTE: ITEMS IN **BOLDFACE PRINT** REFLECT OFFICIAL BOARD ACTIONS

On Tuesday, April 12, 2011 a Regular Meeting of the Illinois Gaming Board ("Board") was held on the 3rd floor at 160 N. LaSalle, Chicago, Illinois.

On Tuesday, April 12, 2011 at approximately 9:30 A.M. the following Board members were present: Chairman Jaffe, Members Charles Gardner, Eugene Winkler, Joseph Moore and James Sullivan. At 9:45 A.M. on Tuesday, March 22, 2011, Chairman Jaffe called the meeting to order. Pursuant to Section 2(c), paragraphs (1), (14) and (21) of the Open Meetings Act and Section 6(d) of the Riverboat gambling Act, Member Winkler moved that **the Board retire to Closed Session to discuss the items listed under Closed Session on today's agenda and relating to the following subject matters:**

1. **Personnel matters;**
2. **Investigations concerning applicants and licensees; and**
3. **Closed session minutes.**

Member Sullivan seconded the motion. The Board approved the motion unanimously by voice vote. The Board recessed at 12:18 P.M.

On Wednesday, April 13, 2011 the meeting reconvened at 11:40 A.M. Present were the following Board Members: Chairman Jaffe, Members Charles Gardner, Eugene Winkler, James Sullivan and Joseph Moore.

The Board remained in Closed Session until approximately 12:10 P.M. The Board recessed and went into open session at 1:00 P.M. Present were the following: Chairman Jaffe, Members: Charles Gardner, Eugene Winkler, James Sullivan and Joseph Moore.

APPROVAL OF MINUTES

Member Gardner moved that **the Board approve the open session minutes of its Regular Meeting of March 23, 2011.** Member Sullivan seconded the motion. The Board approved the motion unanimously by roll call vote.

BOARD MEMEBERS' COMMENTS

Member Sullivan announced the he would be leaving the Illinois Gaming Board. Wednesday, April 13, 2011 would be his final meeting. Member Sullivan stated that he has been recalled to the Bench for the Circuit Court of Cook County by the Illinois Supreme Court effective April 25, 2011. The Chairman and Board Members wished him well on his new endeavor.

Chairman Jaffe commented on how the Board and staff will miss working with Member Sullivan and went on to extend his best wishes on his new endeavor.

Member Winkler also extended good wishes to Member Sullivan.

OWNER LICENSEE ITEMS

- The Rock Island Boatworks, Inc. d/b/a Jumer's Casino & Hotel – License Renewal

Vice President and General Manager Dan Wilson, President Ron Wicks, Director and Vice President of Finance Gary Buettner and Vice President of Marketing William Renk, appeared before the Board.

The following statement was read to the Board by Mr. Renk:

Mr. Chairman, Members of the board and Mr. Ostrowski,

For almost 20 years, Jumer's Casino and Hotel has been committed to grow and to serve the state of Illinois and the community of Rock Island in compliance with the Riverboat Gambling Act.

This can best be illustrated by Jumer's Casino Rock Island becoming Jumer's Casino and Hotel in December, 2008. With an investment of approximately \$140 million dollars, Jumer's created the first Vegas-style casino and hotel in the state of Illinois. This new modern facility consists of a single floor 42,000 square foot casino, 205 room hotel, events center, four restaurants, nightclub and salon and day spa.

Significant to this expanded gaming and hospitality operation is the increase in employment it generated. From the time of its last licensing, Jumer's has increased its employment force by 50%. Growing from approximately 350 to 526 employees. In addition, 10% of our employees have been with Jumer's for over 10 years.

Jumer's has experienced tremendous growth over the past two years. In comparing the previous performance of the old Casino Rock Island for 2008, with the new Jumer's Casino and Hotel, the number of patrons and revenue has more than doubled, with over 1.3 million guests and a 131% increase in revenue for 2010.

Significant for local government, is the tax revenue generated by Jumer's. Specifically, over \$6 million dollars over the past year has aided the City of Rock Island in funding a variety of projects.

In addition, Jumer's has increased their gaming tax revenue for the state of Illinois by 275% since 2008.

Jumer's is committed to developing and maintaining a diverse workplace. In order to achieve a high level of diversity, we aggressively seek out potential employees beyond the usual means of job fairs and various forms of advertising.

We work with organizations that serve minority candidates searching for an opportunity in the gaming industry. These organizations include nine different technical and 4 year colleges, the NAACP, the Illinois Department of Employment Security, Illinois Department of Rehabilitation Services and Iowa Workforce.

Jumer's believes in its responsibility to give back to the community. Casino management takes an active leadership role in governing economic development organizations such as the Rock Island Arts and Entertainment District, Keep Rock Island Beautiful, the Development Association of Rock Island and Renaissance Rock Island, serving as board members, board chairpersons and executive board members over the past licensing period.

In addition to serving on local economic development boards, casino management and employees volunteer their time to assist in improving the lives of others in such activities as The United Way's Day of Caring, Big Brothers Big Sisters, the Adopt a School and Adopt a Highway Programs. Jumer's also organizes multiple blood drives throughout the year on behalf of the Mississippi Valley Blood Center; collects for the annual "Toys For Tots Campaign", as well as collecting garments for "Coats for Kids".

Jumer's understands its duty to support the Riverboat Gaming Act and to operate in a manner that reflects positively upon the State and the gaming industry. Our company diligently supports and implements programs for safety, self-excluded gamblers, prevention of under-age gaming, alcohol awareness and responsible gaming. As operators, we work closely with the Illinois Gaming Board to ensure we are complying with all laws and internal controls.

In conclusion, Jumer's Casino and Hotel is proud of its operating history -- confident in its commitment to compliance, tourism, economic development, employee development and social responsibility.

We hope that the Illinois Gaming Board agrees with our own assessment and will grant a continuation of our gaming license.

Thank you.

- The Rock Island Boatworks, Inc. – Proposed Acquisition by Delaware North Companies

Attorney James Montana appeared before the Board.

Member Sullivan moved that **the Board adopt the following resolution:**

WHEREAS, on August 31, 2010, DNC Gaming & Entertainment of Illinois, Inc. ("DNC") and The Rock Island Boatworks, Inc. ("RIBI") entered into an Asset Purchase Agreement;

WHEREAS, on September 16, 2010, pursuant to the Illinois Riverboat Gambling Act (the "Act") and the Illinois Gaming Board Adopted Rules (the "Rules"),

DNC, Delaware North Companies, Inc. and Delaware North Companies Gaming & Entertainment, Inc., submitted applications to the Illinois Gaming Board (the "Board") in order to receive the Board's approval to purchase the assets of RIBI;

NOW THEREFORE,

BE IT RESOLVED, that on this date the Board adopts this resolution for the purpose of approving the acquisition of the assets of The Rock Island Boatworks, Inc., d/b/a Jumer's Casino & Hotel by DNC Gaming & Entertainment of Illinois, Inc.;

BE IT FURTHER RESOLVED, that on this date the Board approves the Asset Purchase Agreement by and between DNC Gaming & Entertainment of Illinois, Inc. and The Rock Island Boatworks, Inc., dated as of August 31, 2010, along with all attachments and exhibits thereto.

Further, Member Sullivan moved that **the Board designate and approve the following entities, positions and persons as Key Persons of RIBI upon approval of the Asset Purchase Agreement:**

1. **DNC Gaming & Entertainment of Illinois, Inc.;**
2. **Delaware North Companies, Inc.;**
3. **Delaware North Companies Gaming & Entertainment, Inc.;**
4. **Chairman, Delaware North Companies, Inc.;**
5. **Chief Executive Officer, Delaware North Companies, Inc.;**
6. **Principal, Delaware North Companies, Inc.;**
7. **President, Delaware North Companies, Inc.;**
8. **Director, Delaware North Companies Gaming & Entertainment, Inc.;**
9. **Director, DNC Gaming & Entertainment of Illinois, Inc.;**
10. **President, DNC Gaming & Entertainment of Illinois, Inc.;**
11. **William J. Bissett;**
12. **Michael D. Corbin;**
13. **Terry C. Burton;**
14. **Jeremy M. Jacobs;**
15. **Jeremy M. Jacobs, Jr.;**
16. **Louis M. Jacobs;**
17. **Charles M. Jacobs;**
18. **The Jeremy M. Jacobs Family Trust; and**
19. **The Jeremy M. Jacobs Trust.**

Member Gardner seconded the motion. The Board approved the motion unanimously by roll call vote.

Member Gardner commented that Rock Island was the very first off-site meeting that the present Board held. Member Gardner went on to state how skeptical he was at that time; as a Real Estate developer regarding the financial package that Jumer's presented. Member Gardner then went on to congratulate the Jumer's Family on a job well done.

- Harrah's Joliet Casino & Hotel – John C. Berendt, IT Manager – Level 1

Based on staff's investigation and recommendation, Member Winkler moved that **the Board approve John C. Berendt as an Occupational Licensee Level One in the position of IT Manager for Harrah's Joliet Casino & Hotel, in Joliet, Illinois.**

Member Sullivan seconded the motion. The Board approved the motion unanimously by roll call vote.

- Midwest Gaming & Entertainment, LLC – Ownership Approval

John Janicik appeared before the Board.

Based on a review of staff's investigation and recommendation, Member Moore moved **to approve the following individuals, who are "minority persons" or "females" as defined under the Illinois Riverboat Gambling Act and who intend to indirectly own interest in Midwest Gaming & Entertainment, LLC through Casino Investors, LLC.**

1. **Jamie Peisach and Cheryl Peisach, Beneficiaries of the JP Vida Trust;**
2. **Monica Sasson, Beneficiary of the MP Vida Trust.**

Member Moore further moved **pursuant to Section 3000.235 of the Adopted Rules to approve the corresponding redemption of interests in Midwest Gaming Holdings, LLC from CVG Chicago Gaming, LLC and High Plains Gaming, LLC and the issuance of interests to Casino Investors, LLC consistent with the financing documents previously provided to the Board.** Member Sullivan seconded the motion. The Board approved the motion unanimously by roll call vote.

OCCUPATIONAL LICENSES APPROVALS & DENIALS – LEVEL 2s & 3s

Based on staff's investigation and recommendation, Member Gardner moved that **the Board approve 23 applications for an Occupational License, Level 2, and 69 applications for an Occupational License, Level 3.**

Further, Member - moved that **the Board direct the Administrator to issue a Notice of Denial to the following individuals who received notice that staff intended to recommend denial and either did not respond or provide additional information to rebut the recommendation.**

1. **Steven H. Burns;**
2. **Mark Lynn Reed; and**

3. Ashley Nicole Gonzalez.

Member Sullivan seconded the motion. The Board approved the motion unanimously by roll call vote.

PROPOSED COMPLAINT AND DISCIPLINARY ACTION

- Sarah E. Parker – Occupational Licensee

Based on staff's investigation and recommendation, Member Moore moved **that the Board issue a Disciplinary Complaint against Sarah E. Parker, an Occupational Licensee, for failing to disclose all material changes in information to the Board.**

Further, Member Moore moved that **the Board fine Sarah E. Parker \$250. Said fine not to be paid directly or indirectly by the Owner Licensee and said action to take effect twenty-one (21) days from the date of service of the complaint unless the Licensee files an Answer within that time period.** Member Gardner seconded the motion. The Board approved the motion unanimously by roll call vote.

- Boyd Gaming Corporation – Key Person; Par-A-Dice Gaming Corporation – Owner Licensee; Lisa A. Beeney and Daniel E. Kelsey – Occupational Licensees

Based on staff's investigation and recommendation, Member Winkler moved that **the Board issue a Disciplinary Complaint against Boyd Gaming Corporation, a Key Person, and Par-A-Dice Gaming Corporation, an Owner Licensee, due to their failure to cause the names and addresses of SEPs to be flagged on all mailings, marketing or promotional lists or databases and to adequately or sufficiently maintain a system designed to detect persons on the Self-Exclusion List; and against Lisa A. Beeney, an Occupational Licensee, due to her failure to properly or reasonably process an SEP's B-Connected application and failure to heed indicators intended to detect SEPs; and against Daniel E. Kelsey, an Occupational Licensee, due to his failure to properly or reasonably process an SEP's identification against the computer SEP list at the casino turnstiles.**

Further, Member Winkler moved that **the Board impose a fine of \$200,000 on Boyd Gaming Corporation; impose a fine of \$50,000 on Par-A-Dice Gaming Corporation; suspend Lisa A. Beeney's Occupational License for 5 days without pay with credit for 5 days already served; and suspend Daniel E. Kelsey's Occupational License for 4 days without pay with credit for 4 days already served. Said actions to take effect twenty-one (21) days from the date of service of the complaint unless the licensees file Answers within that time period.** Member Sullivan seconded the motion. The Board approved the motion unanimously by roll call vote.

At 1:33 P.M. Member Sullivan motioned to adjourn and Member Moore seconded the motion. All Members voted in favor of adjournment.

Respectfully submitted,

Mary C. Boruta
Secretary to the Administrator